

***PLEASE NOTE: Since the Glendale City Council does not take formal action at the Workshops, Workshop minutes are not approved by the City Council.**

MINUTES
CITY OF GLENDALE
CITY COUNCIL BUDGET WORKSHOP
April 26, 2005
9:00 a.m.

PRESENT: Mayor Elaine M. Scruggs, Vice Mayor Thomas R. Eggleston, and Councilmembers Joyce V. Clark, Steven E. Frate, David M. Goulet, H. Phillip Lieberman, and Manuel D. Martinez

ALSO PRESENT: Ed Beasley, City Manager; Pam Kavanaugh, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk

1. FISCAL YEAR 2005-06 BUDGET: 7TH AND FINAL WORKSHOP

This is a request for the City Council to decide whether to fund the recommended FY05-06 supplemental requests that have been presented during the prior six budget workshops and are presented in the Council budget workbook distributed to the Council on February 28, 2005.

In addition, this is a request for the Council to decide whether to approve the preliminary FY06-15 capital improvement plan (CIP), as amended by the Council at today's workshop in order to move forward the Emergency Operations Center (EOC), the infrastructure required for the EOC, and Phase I (Glendale only) of the Public Safety Training Facility. The preliminary FY06-15 CIP includes the recommended changes to the pay-as-you-go component, as presented to the Council at the April 12, 2005, budget workshop.

This packet includes follow-up information about supplemental items that the Council requested during the course of the past six budget workshops. Please note that the items related to the General Fund (GF) would need to be covered by the GF one-time and ongoing surplus available for the Council to allocate because they were not included as part of the balanced budget figures presented to the Council at the March 15, 2005, budget workshop.

General Fund Items

- Two new supplemental requests related to Code Compliance inspectors and a secretary are included in the Council packet.

- A supplemental request for additional Graffiti Buster staff is included in the Council packet; it was presented to the Council at the March 29, 2005, budget workshop.
- The NHL All Star game event preparation supplemental is included in the Council packet; it was presented to the Council at the April 19, 2005, budget workshop.
- A modified supplemental request for the redesign of the City of Glendale website is included in the Council packet. The original supplemental request was presented to the Council at the March 23, 2005, budget workshop. The Council requested staff to rework the supplemental request to address their concerns. It is included in the packet so the Council can review the reworked supplemental.
- Two supplemental requests for additional funding to cover the rising cost of fuel prices are included in the Council packet.
 - One request is for appropriation authority only for Fund 16, the internal service fund established for equipment management services (vehicle maintenance and repair and fuel costs). This is a revision of the original supplemental request presented to the Council at the March 29, 2005, budget workshop. The original request was for \$404,683; it has been modified to \$1,212,794, in response to the Council's request at the March 29, 2005 budget workshop.
 - The other request is a new supplemental and is for the additional funding needed by the departments to cover the additional costs related to rising fuel prices that will be charged to their respective budgets. The supplemental lists the additional cost that is expected due to the increases in fuel prices. The cost of the GF component would need to be funded with the one-time surplus available for the Council to allocate because the cost was not included as part of the balanced budget figures presented to the Council at the March 15, 2005, budget workshop.

The following items are not part of the GF operating budget. They are included as follow up information items that the Council requested during the course of the past six budget workshops:

Other Funds Items

- Modified supplemental requests for a water conservation program assistant, the landscape rebate program, and public outreach for water conservation also are included in the Council packet. The original supplemental requests were presented to the Council at the March 29, 2005, budget workshop. The

Council requested staff to rework the supplemental request to address their concerns. They are included in the packet so that the Council can review the reworked supplementals. The funding for these supplementals is the water/sewer enterprise fund.

- A supplemental request for applying stickers on recycling containers is included in the Council packet in response to the Council's request at the March 29, 2005, budget workshop. The funding for this supplemental is the sanitation enterprise fund.

The budget material to be covered is contained in the Council budget workbook and the preliminary CIP report, both of which were distributed to the Council in February of 2005. In addition, the material was distributed with the Council Communications for each of the prior six budget workshops. An overview of the preliminary CIP, as presented in the preliminary CIP report for FY06-15, was provided at the April 5, 2005 budget workshop.

The Council's review of the FY05-06 budget is consistent with the Council's goal of ensuring the city's financial stability.

During FY03-04, the budget process was modified per the Council's request. Some of the more significant modifications include the following:

- The Council now receives quarterly presentations on GF revenues and expenditures;
- The Council now receives periodic presentations throughout the year on enterprise fund issues, such as sanitation collection and the landfill tipping fees;
- The Council now reviews the proposed CIP budget at the same time as the operating budgets for next fiscal year, as evidenced by the inclusion of CIP operating and maintenance supplementals as part of the operating budget process; and
- The Council now reviews all supplemental spending requests as part of the operating budget process.

The final balancing budget workshop is scheduled for April 26, 2005.

The 1st budget workshop with the Council occurred on March 15, 2005. This workshop covered an overview of the FY05-06 general fund proposed budget, the recommended City Manager priority supplemental requests related to total compensation and risk management, as well as the supplemental requests for the Human Resources Department.

The 2nd budget workshop with the Council occurred on March 22, 2005. This workshop covered the Fire Department, the Police Department, Homeland Security/Special Projects, the Appointed Officials Group, the Elected Officials, and the Internal Services Group.

The 3rd budget workshop with the Council occurred on March 29, 2005. This workshop covered the departments that comprise the Public Works Group, the Community Information & Services Group (with the exception of the Parks and Recreation Department), and the Community Development Group.

The 4th budget workshop with the Council occurred on April 5, 2005. This workshop covered the Preliminary CIP Report.

The 5th budget workshop with the Council occurred on April 12, 2005. This workshop covered CIP material not completed at the 4th budget workshop, including pay-as-you-go capital projects; CIP O&M supplemental requests for the Civic Center, Economic Development Department, Field Operations Department, and the Parks Department; the Parks Department's operating budget supplemental requests; the utilities needs assessment, utilities CIP, and utilities CIP O&M supplemental requests; and the Glendale Onboard (GO) Transportation operating and capital programs.

The 6th budget workshop with the Council occurred on April 19, 2005. This workshop covered the supplemental requests related to the stadium and Westgate developments. As part of these discussions, information about the overall revenue and expenditure situation for city services provided for the stadium development was presented, along with information about the debt service requirements for the arena and the expected revenue from arena and Westgate operations. Also discussed at the April 19, 2005, workshop were supplemental requests related to national sporting events scheduled for 2006 and 2008. The workshop closed with a discussion about the financing options available to move the EOC and related infrastructure, along with Phase I (Glendale only) of the Public Safety Training Facility, forward to FY05-06 and FY06-07. Included in this discussion was information about capital projects that Council could chose to defer in order to move forward the EOC project.

The Council was given the Preliminary CIP Report on February 15, 2005. This material was discussed at the workshop held on April 5, 2005.

The Council reviewed the FY05-06 GF revenue projection at the February 15, 2005 workshop.

The Council was given the FY05-06 budget workbook on February 28, 2005 for review prior to the scheduled budget workshop discussions. This workbook contains the following information:

- the City Manager's memo on the FY06 recommended operating budget (p.1-11);
- the FY05-06 GF budget balancing summary (p. 12); and
- the ongoing and one-time supplemental requests, including those related to new capital projects coming on-line in FY05-06, that are being recommended for funding from the General Fund, the enterprise funds, and all other funds.

The City of Glendale's budget is an important financial, planning, and public communication tool. It gives residents and businesses a clear and concrete view of the city's direction for public services and operations and a better understanding of the city's ongoing needs for stable revenue sources to fund public services and ongoing operations.

The budget provides the Council and residents with a means to evaluate the city's financial stability.

All budget workshops are open to the public and are posted publicly per state requirements.

Staff is seeking direction from the Council on the recommended supplemental requests for all city departments, as well as the preliminary FY06-15 CIP, as amended to include the recommended changes to the pay-as-you-go component, as presented to the Council at the April 12, 2005 budget workshop.

General Fund

Sherry Schurhammer, Management and Budget Director, reported an ongoing GF surplus of \$1,195,390 and a one-time GF surplus of \$2,078,679. She said if Council chooses to fund the requested supplementals, the ongoing surplus will decrease to \$467,650 and the one-time surplus will be reduced to \$1,311,003. She stated the surplus could be returned to the GF fund balance or added to the GF contingency appropriation. She said the supplementals to be discussed today are shown in the workshop packet provided to City Council for today's meeting.

She explained the request of \$608,000 for Pavement Preservation was originally divided between \$300,000 in ongoing and \$308,000 in one-time funds; however, Council expressed a desire at its March 29 workshop to shift the one-time portion of the supplemental to the ongoing side. She said, assuming the shift is approved, they have \$308,000 more available on the one-time side and \$308,000 less available on the ongoing side.

Councilmember Martinez asked about the amount of the GF contingency appropriation for FY05-06. Ms. Schurhammer explained the GF contingency is an appropriation within the General Fund fund balance and for FY04-05 Council approved an

appropriation of \$16.5 million. She stated the recommendation for FY05-06 is \$16.7 million, which is \$2 million more than the 10% recommended by city policy.

Councilmember Lieberman asked about the amount needed if Council went with the 10% figure. Ms. Schurhammer said a 10% GF contingency appropriation would be \$14.7 million.

The Council recessed for a short break.

Ms. Schurhammer continued her presentation by stating that the supplemental requests to be discussed at today's workshop include ones that Council saw at prior budget workshops as well as a few new supplemental requests. For example, the two supplemental requests related to Code Compliance, as summarized on the slide, are requests that Council had not seen in prior budget workshops. She explained that the request is being presented in response to Council's concerns about the workload of Code Compliance staff.

Councilmember Clark asked a question about the number of cases that the two additional code compliance officers could address. Horatio Skeete, Deputy City Manager for Community Development, said the two additional code compliance officers should be able to handle about 4,000 cases, as well as focus on neighborhood issues that require extra effort. Councilmember Clark commented the Neighborhood Focus program was very popular and successful.

Councilmember Goulet asked about the time needed to train new code compliance officers. Dan Gunn, Code Compliance Administrator, said it takes about four months to train a new code compliance officer. Councilmember Goulet asked if the officers are in the field with experienced officers during their training period. Mr. Gunn said they initially spend time in the office reviewing the various codes, but they eventually spend a minimum of six weeks in the field with senior officers.

Ms. Schurhammer stated an NHL All-Star Event supplemental, totaling \$471,800, was discussed with City Council at its April 19 workshop. She said staff is proposing the expenses be covered out of one of the Super Bowl/Fiesta Bowl/BCS reserve being recommended for next fiscal year.

In response to Councilmember Martinez's question, Stacy Pearson, Marketing and Communications Assistant Director, stated that staff is looking at sponsorship opportunities, but that does not factor into the \$471,800 requested.

Councilmember Goulet pointed out the NHL has not been playing for some time and asked if there will come a point when the city will know funds do not have to be allocated for the All-Star event. Ms. Pearson said she does not have a date, but rooms are still being held at the hotels that were booked as part of the All-Star game. She stated, at this point, there is every indication the game will proceed as planned.

Mayor Scruggs stated she supports staff's recommendation to take the \$471,800 out of the Super Bowl/Fiesta Bowl/BCS reserve recommended for FY05-06.

Councilmember Clark pointed out \$240,000 goes for marketing and special events, while the remaining amount goes for overtime for public safety personnel. She asked if overtime costs for all mega events would be split out from the regular budgets for both Police and Fire or if the overtime line item for both departments will eventually be increased to absorb the cost. Ms. Schurhammer explained they are looking at the events as one-time events in a fiscal budget year, stating they will reevaluate their approach if it turns out multiple mega events are being held every year. Councilmember Clark pointed out the Fiesta Bowl and BCS bowl events will be repetitive, expressing her opinion the city should look at how they can incorporate those costs into the appropriate budgets. Mr. Beasley explained the BCS championship game would occur once every four years, stating they will be looking at a procedure to track actual overtime expenses.

Mayor Scruggs said she supports separately tracking expenses related to events at the stadium and arena. She said she believes the NHL All-Star supplemental is incomplete. For example, what about overtime expenses for staff in public works, transportation, information technology, and parks? Will staff in those departments be required to work overtime for events at the stadium and arena?

Mayor Scruggs voiced Council's consensus to fund the NHL All-Star supplemental out of the Super Bowl/Fiesta Bowl/BCS reserve if the NHL All-Star game actually proceeds.

Ms. Schurhammer stated the graffiti buster supplemental request was discussed at the Council's March 29 workshop. She said the request for \$60,046 in ongoing funds and \$29,800 in one-time funds cover the addition of one staff person to work in the field, as well as a vehicle and the equipment needed for painting.

Councilmember Frate stated he fully supports the graffiti buster supplemental request, stating Glendale looks better than some of its neighboring communities because of the proactive stance it takes against graffiti.

Ms. Schurhammer stated the supplemental request related to the city's website was discussed at the Council's March 23 workshop. At that time, Council asked staff to rework the supplemental to address several issues. She stated the supplemental now includes two staff persons to work as web content managers.

Mayor Scruggs pointed out the request addresses much more than just the redesign of the city's web page, stating it goes into offering e-services. She asked how much of the request is related to web-design and how much is related to e-services. Julie Frisoni, Marketing and Communications Director, said \$115,000 of the \$438,569 in one time funds is for web redesign and the remaining one-time funds are for e-services.

Chuck Murphy, Chief Information Technology Officer, explained the proposed e-services system is web-based, but also accessible via telephone using an IVR system. He explained some of the e-services modules that would be implemented if the supplemental request were approved.

A first responder notification module allows the city to provide emergency information over telephone lines, fax, email, and TTY and TDD devices. He said the system provides non-emergency notifications on almost any city topic and can be based on a subscription basis.

An electronic payment module will allow the city to collect utility, permit, and/or recreation fees electronically.

An automatic citizen information module will allow the city to categorize frequently asked questions into an easily accessed location on the website, noting the information will also be available using a touchtone phone;

A business sales tax and license module will allow businesses to electronically submit their sales tax to the city.

Other e-services modules will allow individuals and contractors to check the status of permits and/or apply for simple permits over the phone or on the web; register for recreation classes; and allow the court to collect fees online. He stated that the public safety module would allow inspections to be scheduled, permits and licenses to be issued, and violations to be tracked. He pointed out the system will have bi-lingual capabilities.

Councilmember Goulet asked if the items listed on page 10 of the Council packet are listed in order of importance. He also asked if staff has quantified the savings the city would gain through offering online payments and to what extent the savings will offset the cost of offering the service. Mr. Murphy stated he does not have a cost savings estimate because the implementation of e-services will allow the city to change its business processes, which means staff could spend less time on some tasks. He said the cost benefit would be a function of usage, noting studies in other cities have shown timesavings of about 25%-30%. Councilmember Goulet asked if staff has seen a steady increase in the number of people trying to utilize the proposed services. Mr. Murphy said the list of proposed services was based on the types of transactions coming into the city, pointing out electronic check transactions and credit card transactions are increasing.

Councilmember Clark stated certain elements of the e-services and communications modules probably require regular updates. She asked about the timing of those updates. Mr. Murphy explained that the different modules would be updated as new releases became available from the software company.

Councilmember Clark asked if the software programs would be easy for an average employee to use. Ms. Frisoni that stated some of the modules would be more difficult and require a higher level of training, but the majority should be easy for individuals to learn. Mr. Murphy explained that web-content is little more than typing material into a Word document. Councilmember Clark asked if it would be complicated for Council staff to change the look of the Mayor or the Council members' pages. Ms. Frisoni said Council staff would not update the web pages. She said the goal is to look for individuals who have a marketing background and are web-savvy, explaining it is not simple to design, maintain and update web pages. She said as far as the Council is concerned, new content will be as easy as a phone call to one of the designers. Councilmember Clark asked about the turnaround time for changes and updates. Ms. Frisoni stated most cities in the valley have one to five web content managers on staff, explaining her goal would be to assign each of the proposed web content managers to specific departments. Councilmember Clark pointed out there have been issues in the past with timeliness and asked for assurances that the Council's requests will be taken care of quickly. Ms. Frisoni assured Councilmember Clark that staff's response would be timely.

Mayor Scruggs asked if someone would be assigned to writing procedure manuals that outlines what has to happen when ordinances or fees change. Ms. Frisoni explained the liaisons currently assigned to each department will remain the same and will continue to work on projects brought forward by the departments. She stated that the web managers, however, will be solely responsible for the web content and the Council members will be free to contact the manager directly. Councilmember Clark stated one of the problems with the current system is the number of layers a request has to pass through to be implemented.

Vice Mayor Eggleston stated that he likes the telephone accessibility aspect of the system. He asked if the system will be similar to those used by banks. Mr. Murphy responded yes, stating the system will lead callers through selection criteria to obtain the desired information. Vice Mayor Eggleston asked for more information concerning the First Responder module. Mr. Murphy explained that the First Responder module will allow the city to do mass communications, noting that individuals will have the option to select the method or methods by which communications would be received. He said the system would also allow city officials and departments to send out constituent communications, explaining that constituents would have the option of electing not to get communications if they so desire.

Mayor Scruggs asked if the SurePay feature would be retained. Mr. Murphy responded yes. Mayor Scruggs noted that credit card companies now check everyone's payment schedules monthly and adjust their interest rates accordingly if someone is late in paying their utility bills. She stated paying bills online also saves the person the cost of postage and reduces the amount of paper waste.

Mayor Scruggs asked if the APS 24-hour, seven-day-a-week service would be maintained until the new system is in place. Mr. Murphy said the plan is to have the system up and working before the agreement with APS is terminated.

Councilmember Lieberman commented about a story on Channel 12 news concerning identity theft, stating that the correspondent cautioned against using credit cards to pay bills online. He said AARP magazine had similar advice. He asked whether the city would be liable if someone misuses credit card information obtained from the city's system. Mr. Murphy explained the city will not retain any credit card information or numbers, stating the transactions happen with the bank. He said all communications would be encrypted.

Councilmember Martinez asked about the number of calls the new system can handle at once. Mr. Murphy said the initial system will have a queue of 48 lines, explaining that staff will monitor the system to determine if and to what extent wait times are occurring.

Councilmember Goulet asked if the proposed system is acceptable to the court and if it will integrate with the court's system. Mr. Murphy said staff has worked with Judge Finn and her staff who have, in turn, worked with staff at the Superior Court. He assured Councilmember Goulet that the City has the courts' permission to proceed with the online payment system.

Councilmember Frate pointed out the proposed system has been constituent driven. He stated the IVR system ensures everyone has access, including those who live elsewhere but have businesses or own property in Glendale.

Mayor Scruggs voiced Council's consensus to proceed.

Ms. Schurhammer said the \$1.2 million General Fund/Sanitation one-time request for a fuel reserve came about after the discussion at the March 29 workshop at which Council expressed concern about the operating departments having sufficient budgets to cover rising fuel costs. She said there are two supplemental requests related to this issue. One request is for appropriation authority only and is for the Fuel Services Division since it purchases the fuel; the costs are then charged back to the departments using the fuel.

The second request is for funding and appropriation authority and will be used by the departments purchasing the fuel if the additional funds are required. She stated that the General Fund component of the request totals \$545,000 whereas the Sanitation Fund component totals \$363,838. She said these numbers were derived by Equipment Management Division staff after evaluating fuel usage by all departments. Staff then estimated the potential additional cost for those departments if fuel prices remain at an elevated level. She said the additional funding would not be added to the individual operating department budgets. Rather, the funding will be set-aside in a reserve controlled by the Budget Department. She stated that the Budget staff will meet with Equipment Management staff at mid-year to evaluate fuel usage for the departments. If

it appears that a department they will be over budget by the end of the fiscal year because of fuel usage, then additional funding will be transferred from the reserve.

Councilmember Clark asked why, the sanitation fund is unable to cover the rising fuel costs within their existing operating budget. Ms. Schurhammer explained that staff looked at the amount of unspent appropriation authority left in prior years for the enterprise fund operations. The landfill, utilities and transportation (transit) enterprise operations typically have several hundred thousand dollars left unspent at the end of the fiscal year, noting that this is not uncommon for very large operations. However, sanitation's budget has not had significant unspent funds at the end of the fiscal year and therefore does not have the ability to absorb the cost of rising fuel prices within existing budgets. Councilmember Clark asked why Sanitation could not defer payment of a major piece of equipment to cover fuel costs. Ms. Schurhammer stated that the city couldn't defer any payments on major pieces of equipment because sanitation equipment is purchased through capital leases, which require annual payments. While they could possibly defer the acquisition of new equipment, their equipment is purchased out of their capital budget, not their operating budget.

Councilmember Frate asked about the blended price the city pays per gallon for fuel. Ken Reedy, deputy city manager for the public works group, said the city paid an average of \$1.34 for diesel and \$1.51 for unleaded in FY03-04, whereas in the first six months of FY04-05, the city averaged \$1.72 for diesel and \$1.71 for unleaded. Currently, the city is paying more than \$2.17 per gallon for diesel and more than \$2.25 per gallon for unleaded. He said staff has no way of predicting whether prices will decrease and therefore the assumption is that the average price for unleaded fuel will be \$2.40 to \$2.50 per gallon. He pointed out that vehicles in the sanitation divisions only get two to three miles to the gallon.

Councilmember Lieberman asked if the city still uses compressed natural gas. Mr. Reedy said no, noting that the city sold its compressed natural gas facility and instead uses propane. He noted that the use of compressed natural gas actually increased the city's fuel consumption and created numerous mechanical problems. He stated that city has chosen to purchase only vehicles for which the manufacturer has created an alternative fuel selection. He said the propane vehicles seem to be the ones that work best. He said propane costs \$1.50 per gallon, but they do not achieve as many miles per gallon.

Mayor Scruggs noted a new bill has been introduced that would ban the use of any vehicles that are not involved in health, safety and general welfare that get less than six miles per gallon during the months of May through October in the upcoming year because of the fuel shortage.

Councilmember Clark asked if the city has looked at using blended fuels. Mr. Reedy said the city has used bio-diesel, but this alternative has increased in cost by 30% recently. He stated that the city would continue to study the issue.

Mayor Scruggs voiced Council's consensus to include the supplementals for increased fuel cost in the FY05-06 budget.

Ms. Schurhammer presented slide 7, which summarized the GF supplementals discussed thus far. The slide showed that there remained a GF surplus of \$467,650 on the ongoing side and \$1,311,003 on the one-time side. Ms. Schurhammer explained that these amounts would simply accrue in the GF fund balance since they were not allocated for the FY04-05 GF operating budget.

Other Funds Items

Ms. Schurhammer proceeded to the next slide, which summarized the remaining supplementals included in the workshop packet provided to City Council for today's meeting. In response to the reworked supplemental for the landscape rebate program, Mayor Scruggs asked if only one landscape rebate is allowed per address or per family. Doug Kukino, Director of the Environmental Resources Department, explained that the rebate is limited to one per owner. He said a person would become eligible again if he or she moved to a new home.

Mayor Scruggs questioned whether the cost for the supplemental that requests funds for an increase in public outreach efforts should be considered one-time until a results-oriented report can be presented. Mr. Reedy explained that the goal is to make a longer-term commitment to the regional public outreach effort as well. He said, however, staff can return after one year to update the Council on the results of an increased public outreach effort. Mayor Scruggs said the e-services component approved earlier would allow the city to reach people in ways other than printed material.

Vice Mayor Eggleston agreed with Mayor Scruggs. Mr. Reedy said staff could return annually to discuss their progress if Council so desires.

Councilmember Clark said the most important thing is that they see results from the expenditure. She said there is a 60% increase in attendance at workshops when people receive mail notifications. She suggested the supplemental request be classified as one-time for FY05-06. Mr. Reedy said mail notification is important because it provides residents with in-hand instructions on how to register or participate.

Vice Mayor Eggleston commented on the importance of public outreach.

Mayor Scruggs stated she can support the cost as ongoing, but she would like an annual report on the outcomes achieved by the outreach effort.

Councilmember Lieberman said the amount is so small it will not even pay for one mailing to the city's residents. He stated he would like the amount left in ongoing.

Mayor Scruggs directed staff to leave the amount in ongoing, but to report back to Council on the impact of the increased outreach efforts.

Ms. Schurhammer explained the \$37,000 one time supplemental request from the Field Operations Department would cover the cost of adding labels to recycling containers as requested by Council during its March 29 workshop.

Councilmember Lieberman stated he supports the supplemental.

Mayor Scruggs voiced Council's consensus to proceed with the recycling container labels.

Capital Improvement Program (CIP)

Ms. Schurhammer proceeded to the slides that covered follow up items related to the capital improvement program (CIP) as presented in the preliminary CIP report and as discussed at the April 5, April 12, and April 19 budget workshops.

Emergency Operations Center and Phase I of Public Safety Training Facility

Ms. Schurhammer explained that staff presented the estimated cost of the emergency operations center (EOC), the related infrastructure improvements, and the cost of Phase I of the training facility at the March 19 workshop. She said staff presented financing options at the April 19 workshop. The preferred option would split the cost among three funding sources – general obligation bonds, municipal property corporation bonds, and GF contingency. To use G.O. bonds, \$14.1 million or more in existing CIP projects will have to be deferred.

Ms Schurhammer presented two slides that identified a list of CIP projects for Council to consider deferring. The projects listed on the two slides were the same ones shown to Council at the April 19 budget workshop. They were as follows:

- Land for New Fire Station at \$500,000,
- Western Area Park at \$6,096,625,
- Loop 101 Park and Ride at \$3,000,000*,
- 95th Avenue, Maryland to Bethany Home Road at \$3,985,000*,
- Street Scallops at \$1,166,181*,
- Stormwater Master Plan at \$524,500, and
- Street Beautification at \$1,995,241.

She explained that the projects designated with an asterisk are ones that could be shifted to the GO transportation program, which is funded with the transportation sales tax. The projects without an asterisk would have to be deferred until FY09-10 or later.

Councilmember Goulet asked about the street beautification project. Mr. Reedy said the street beautification program has been historically used to add landscaping to major arterials, arterials, and collector streets that are not currently landscaped. Councilmember Goulet asked if there has been any effort to focus on certain areas of the city that are likely to see an increase in activity and if some of the beautifications could happen as a result of neighborhood partnerships or grant applications. Mr. Reedy said neighborhood grants have been used in the past to make landscape and wall improvements.

Councilmember Lieberman asked about the timing of the \$3.8 million infrastructure improvements for the Western Area Park infrastructure that were discussed in a prior budget workshop meeting. Gloria Santiago-Espino, deputy city manager for the community information and services group, explained that the design of the infrastructure will begin in FY05-06, with construction commencing once the design work is completed. She said the \$3.8 million would fully fund the infrastructure improvements on that site. Councilmember Frate asked about the timeline for the project. Ms. Santiago-Espino said the goal is to complete the infrastructure by the fall of 2007.

Councilmember Goulet said he does not want to defer the acquisition of land for a new fire station, given the increase in land costs. Mark Burdick, Fire Chief, said that the Fire Department has not identified a specific piece of property for acquisition. He said the area between the new training facility and the Glendale airport is the likely location for a new station. Mayor Scruggs asked if the Fire Department would be harmed by deferring the acquisition of land for a new fire station. Chief Burdick responded no.

Councilmember Lieberman asked if the Fire Department would have fire station equipment stationed at the EOC. Chief Burdick said the department would explore that opportunity should it need to have a presence in the area to respond in a more timely fashion.

Mayor Scruggs noted the Loop 101 Park and Ride would not be added to the GO transportation program until the last five years of the CIP; Mr. Skeete agreed.

Mr. Skeete presented a list of four GO transportation projects that could be deferred in order to accommodate the addition of the three projects that are asterisked in the prior slide (Loop 101 Park and Ride; 95th Avenue, Maryland to Bethany Home Road; and Street Scallops). The GO transportation projects that could be deferred were

- 59th Avenue, Grand Avenue to Loop 101 at \$5,451,280;
- 43rd Avenue, Bethany Home Road to Peoria at \$1,163,605;
- 67th Avenue, Olive to Bell Road at \$1,741,874; and
- 51st Avenue, Camelback Road to Peoria at \$1,046,127.

Mr. Skeete said these projects are currently in varying stages of design. He said the intention is to stagger the design money and construction schedule for these projects in order to accommodate the additional projects.

Mayor Scruggs suggested taking the \$5 million out of the 59th Avenue, Grand to Loop 101 project because the other areas have not received the same level of attention in the past. She pointed out \$13 million is programmed for the 59th Avenue, Grand to Loop 101 area in the next two years. Mr. Reedy stressed the importance of prioritizing the projects so as not to negatively impact the traveling public.

Councilmember Martinez asked about the city's total budget for FY05-06. Ms. Schurhammer was unable to say, explaining she only has information with her related to the GF operating budget. She stated the total budget figure will be available by the time Council adopts the preliminary budget.

Council reached consensus on deferring the following capital projects, as presented in the preliminary CIP report, in order to accommodate moving forward the EOC and phase I of the public safety training facility:

- Land for New Fire Station at \$500,000,
- Western Area Park at \$6,096,625,
- Loop 101 Park and Ride at \$3,000,000*,
- 95th Avenue, Maryland to Bethany Home Road at \$3,985,000*,
- Street Scallops at \$1,166,181*,

The projects designated with an asterisk are ones will be shifted to the GO transportation program.

ADJOURNMENT

The meeting was adjourned at 11:30 a.m.